

Big Benefits from \$1:

Raising Cigarette Taxes in Florida and the South
To Boost Health and the Economy

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*Alice Dembner with assistance from
Katherine Howitt and Quynh Chi Nguyen,
Community Catalyst*

Community Catalyst, Inc.
30 Winter St. 10th Floor
Boston, MA 02108
617.338.6035
Fax: 617.451.5838
www.communitycatalyst.org

Community Catalyst is a national nonprofit advocacy organization dedicated to making quality, affordable health care accessible to everyone. Since 1997, Community Catalyst has worked to build consumer and community leadership to transform the American health system. With the belief that this transformation will happen when consumers are fully engaged and have an organized voice, Community Catalyst works in partnership with national, state and local consumer organizations, policymakers, and foundations, providing leadership and support to change the health care system so it serves everyone—especially vulnerable members of society. www.communitycatalyst.org

Executive Summary

A constellation of problems currently threaten the health of Florida and the entire South: High rates of deadly but preventable illnesses caused by smoking; increasing numbers of families without health insurance; and large budget deficits.

One quick and simple tactic could provide effective medicine for all three problems: Raising cigarette taxes by \$1 per pack in 13 Southern states – Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and West Virginia. Cigarette taxes generate revenue for the states while protecting people's health.

The increased taxes would reduce smoking rates, cut health care expenses, and save thousands of lives. In addition, the taxes would raise nearly \$3.3 billion¹ in the first year alone, including \$631 million in Florida, enabling states to protect health coverage for families. Cigarette tax money spent on state health programs would also bolster the region's economy by helping states collect billions in matching federal funds.²

The South's costly health burdens

- Tobacco-related illnesses. Florida and the South have high rates of deadly diseases linked to smoking, including diabetes, heart disease and several types of cancer.³
- Lack of quality, affordable health insurance. Uninsurance rates exceed the national average in eight Southern states. More than one-fifth of Floridians are uninsured.⁴
- Budget deficits. Florida and nine other Southern states face big budget gaps this year while spending hundreds of millions of public dollars treating tobacco-related diseases.⁵

Benefits of a \$1 cigarette tax increase in 13 Southern states

- Reduce smoking and smoking-related costs. More than 559,000 adults and 153,000 youths would quit or not start smoking, including 100,500 adults and 19,400 teens in Florida alone. Hundreds of thousands across the South would be saved from premature deaths. Increasing funds for smoking cessation and prevention would boost these benefits, and Southern states would also save billions in health care costs.⁶
- Protect access to health care. Using the \$3.3 billion raised annually by the tax increase – including \$631 million in Florida – to fund Medicaid would ensure that hundreds of thousands of low-income families can get the health care they need.⁷
- Bolster the economy. Spending the tax money to shore up Medicaid would protect federal matching funds of \$6 billion a year,⁸ including \$783 million in Florida, and attract up to \$23 billion more in matching money through 2010 across the South.⁹ This would protect more than 119,000 jobs and billions of dollars in consumer and business spending.¹⁰

A \$1 increase in state cigarette taxes provides a big return on investment. Overall, raising cigarette taxes is good for health, good for families, and good for the economy.

The South's Costly Health Burdens

Tobacco-related illnesses

Florida and the South have high rates of diseases associated with smoking, including diabetes, heart disease, and cancers of the lungs, voice box, and cervix.¹¹ Many of these cases are preventable and treatable. But smoking kills 136,000 people a year across the South, including 28,600 in Florida.¹² (See Chart 3, page 10)

Tobacco-related illnesses also cost the region a sizable sum. The South loses approximately \$38 billion a year in productivity due to premature deaths from smoking, including nearly \$6.5 billion in Florida, and even more from illness, absenteeism and time spent on smoking breaks.¹³ This is one of the indirect costs borne by businesses operating in the South.

In addition, treating smoking-related illnesses directly costs the region nearly \$29 billion annually, including nearly \$8 billion paid by Medicaid programs.¹⁴ (See Chart 4, page 10) In Florida, these costs add up to \$6.3 billion annually, including \$1.25 billion in Medicaid. These government-paid health costs for smoking add an average of \$585 to the yearly tax burden of each Florida household.¹⁵ Businesses and individuals, including those who don't smoke, also pick up some of the costs of treating smokers through higher insurance premiums for employer-based coverage.

Despite these high costs in lives and dollars, Southern states aren't doing much to reduce smoking. Each of the 13 states spends far less on prevention and cessation programs than recommended by the federal Centers for Disease Control and Prevention (CDC). For example, Florida spent \$58 million on these programs last year, although the CDC recommended allocating \$210.9 million. Together, the states spend \$1 billion less per year than the CDC recommends.¹⁶ (See Chart 5, page 11)

Lack of health insurance

Many Southerners go without care for their illnesses because they do not have quality, affordable health insurance. For the same reason, others delay seeking treatment until their conditions worsen and become more complicated and more expensive to treat.¹⁷

Uninsurance rates exceed the national average in eight Southern states, including Florida where more than one-fifth of residents lack health insurance. Region wide, nearly 19 million people – more than 19 percent of Southern residents – are without health coverage.¹⁸ (See Chart 6, page 11)

The uninsured who are able to get treatment or preventive care pay a portion of their health costs out of their own pockets, but few can afford the entire amount. The remaining costs are shifted to individuals and businesses through increased private health insurance premiums and through federal and state taxes that help cover uncompensated care at safety net hospitals and clinics.¹⁹ These shifted costs totaled \$43 billion nationwide in 2005, putting a significant burden on the economy. On average in Florida, private health insurance premiums for family coverage cost an extra \$1,313 to pay for health care for the uninsured.²⁰

However, the economic costs of the uninsured go beyond these medical costs. The lost productivity and poor health among the South's 19 million uninsured residents cost as much as \$80 billion in 2007 alone.²¹

The nation's current economic crisis is increasing both the number of uninsured and these costs. For every 1 percentage point increase in the number of people without jobs nationally, one million more people enroll in publicly funded health care through Medicaid and the Children's Health Insurance Program. Another 1.1 million adults end up without any health coverage.²²

Budget pressures

The growth in Medicaid is straining state budgets at the same time that the recession is reducing state revenues. As of March 2009, 10 Southern states faced multimillion-dollar budget deficits for this fiscal year.²³ At least half of Southern states have cut or are planning to cut their Medicaid programs, despite the growing demand for coverage.²⁴ Florida's fiscal 2009 budget deficit of \$2.3 billion resulted in Medicaid cuts, and the legislature is considering more reductions for next year.

While states must balance their budgets, cutting Medicaid has severe financial consequences. Medicaid is a state-federal partnership, and the federal government provides matching funds to the states ranging from 50 to 75 percent of the program's costs. Therefore, each state dollar cut from Medicaid forfeits up to \$3 in federal aid in the South – and even more for the next two years because of an increase in aid payments.²⁵ This forfeited money drains state economies of a significant boost at a time when it is most needed. In Florida, the federal match – before the aid boost – is 55 percent, so each state dollar cut forfeits about \$1.24 in federal aid. With the temporary boost, the Florida match rises to 67 percent, meaning each state dollar cut forfeits \$2.09 in aid.

In the face of these health and economic problems, Southern states are forgoing a simple solution that would provide a source of steady revenue while protecting and improving people's health. Cigarette taxes across the region are among the lowest in the nation, with 10 of the 13 states' taxes at less than half the national average state tax of \$1.21 per pack. (See Chart 7, page 12) Many of the states have not raised the cigarette tax in years. In Florida, the tax has been 34 cents a pack since 1990, the fifth lowest in the nation. Taxes of \$2 or more per pack in 12 states elsewhere in the nation generate rich dividends and clearly demonstrate what the market will bear.²⁶

Health and Economic Benefits of a \$1 Cigarette Tax Increase

Reduce smoking and smoking-related costs

Higher cigarette taxes are a proven way to reduce smoking among adults and especially among children. Research shows that each 10 percent increase in the price of cigarettes cuts adult smoking rates by 2 percent and children's rates by 6.5 percent. If each of the 13 Southern states increased its cigarette tax by \$1 per pack, more than 559,000 adults and 153,000 teens would quit the habit, or not start smoking. Over time, nearly 453,000 Southerners would be saved from premature deaths caused by smoking.²⁷ (See Charts 1 and 2, page 9) In Florida, 100,500 fewer adults and 19,400 fewer teens would smoke, and 79,600 lives would be saved. These significant health benefits are in addition to the gains that the Southern states can expect from this year's 62-cent increase in the federal cigarette tax.

As smokers quit, the states would start to see savings in health care costs from tobacco-related illnesses. Savings from fewer heart attacks and strokes alone would total nearly \$294 million in the South in the first five years, including \$45.9 million in Florida. (See Chart 8, page 13) Similar decreases in other illnesses, such as cancer and lung disease, would mount over time, and lifetime savings would total \$3.8 billion in Florida, along with hundreds of millions of dollars in other Southern states.²⁸

Spending a portion of the new cigarette tax revenue on tobacco prevention and cessation programs – at levels recommended by federal health officials – would help even more adults quit smoking and deter hundreds of thousands of children from starting to smoke. To meet CDC guidelines, the Southern states should devote \$1 billion more to these programs.²⁹ (See Chart 5, page 11)

Provide needed health care

Revenue from increasing the cigarette tax could also shore up essential health programs and help working families get access to the health care they need. Raising the tax by \$1 per pack in each of the 13 Southern states could generate nearly \$3.3 billion in the first year for cash-starved budgets, including \$631 million in Florida.³⁰ (See Chart 9, page 13)

Putting that money into state Medicaid programs could protect access to health care for more than two million low-income parents, children, elderly and disabled people who are at risk of being cut off Medicaid or losing critical services such as treatment for breast cancer or kidney dialysis.³¹ (See Chart 10, page 14) In Florida, the tax increase would raise enough funds to provide Medicaid coverage for 339,000 people. Families especially need this help now, when many breadwinners are losing jobs and health insurance.

Over time, the tax would remain a reliable source of health care funding, although revenues would decline slowly as smokers quit. In the few states that are not facing deficits, and in other states when the economy rebounds, the cigarette tax revenue could be used to expand insurance coverage through Medicaid or the Children's Health Insurance Program. This would provide long-term health security for hundreds of thousands more Southern families, and ensure increased access to quality, affordable health care that could prevent or reduce high rates of illness and death from cancer, heart disease, and other conditions.

Increasing the tax to help fund Medicaid could help people like Montye Conlan of Osmond by the Sea, Fla. Conlan needs expensive medicines, physical therapy and regular care from specialists to cope with the multiple sclerosis that has permanently disabled her. While the federal Medicare program pays for some of her care, she faces big co-payments that sometimes force her to put off needed treatments. Her income is just a little over the federal poverty level.

Under Florida's current Medicaid rules, Conlan could get help with her medical bills only if she paid a deductible of \$889 a month. But that formula would leave her with only \$200 a month to live on, so she tries to scrape by without Medicaid. She would like to see Florida Medicaid ease its rules for medically needy people like her so they can get the care they need.

"This tax, if it was used to expand Medicaid, would improve the quality of my life," Conlan said. "I have a disease, multiple sclerosis, that is very vulnerable to stress. It is very stressful to try to figure out where the money will come from.... If I had the ability to access Medicaid benefits, all of those questions would be answered."³²

Secure federal matching funds

Devoting the total \$3.3 billion in new tax revenue to Medicaid would preserve an infusion of approximately \$6 billion in matching federal money,³³ bringing the regional value of the tax to more than \$9 billion a year. (See Chart 9, page 13) Each of the Southern states gets at least \$1 from the federal government for every \$1 it spends on approved Medicaid programs, and Florida is getting \$1.24 for each \$1 spent.³⁴

Raising the tax now and using the new money to avoid or restore cuts in Medicaid eligibility could also enable the states to get even more federal money in the next two years. They could qualify for the full amount of extra Medicaid matching dollars that Congress approved to stimulate state economies through the end of 2010 – totaling nearly \$4.4 billion for Florida and \$23 billion for the region.³⁵ Together, the two sources of money – the cigarette tax increase and the federal boost – would help Florida and many states come closer to filling their budget deficits.

In fact, if Florida increased its cigarette tax by \$1 per pack this legislative session, and allocated the money to Medicaid, the tax increase and matching money at the stimulus rate would total \$1.9 billion for the first year.³⁶

Bolster the economy

State spending on health care supported by new cigarette tax revenue would also bolster the economy in Florida and in the entire region. Direct funding of Medicaid supports hospitals, nursing homes, health centers, pharmacies, and doctors' offices, including jobs in nearly every community. Numerous studies show that Medicaid spending also ripples through state economies, spurring billions of dollars worth of additional business activity, as health facilities buy supplies and health care workers spend their wages on food, clothing, transportation, and other products.³⁷ The investment is multiplied again and again, reaching every corner of every state.

If the \$3.3 billion generated region wide in the first year of the tax increases were used to fund Medicaid programs, it would support \$13 billion in business activity, nearly \$4.7 billion in wages and more than 119,000 jobs.³⁸ In Florida, the economic boost would include \$1.8 billion in business activity, \$681 million in wages, and more than 16,700 jobs. (See Chart 9, page 13) The extra Medicaid matching money coming from the federal government over the next two years would help Florida and other states support more jobs and further boost spending by consumers and businesses.

The state spending on health insurance and the reduction in smoking-related health problems would yield several additional economic benefits. Prime among them is increasing worker productivity.

Providing insurance, by itself, could boost productivity and related benefits by as much as \$4,541 per person per year.³⁹ Health costs for the uninsured, now carried by businesses and insured individuals through health care premiums and income taxes, would also be reduced. Benefits for the states include an improved climate for business, which may attract new industry and lead to increases in state revenues from a range of taxes.⁴⁰

“Rarely do you find a tax that provides society with so many benefits,” said Judith Phillips, a research analyst at the John C. Stennis Institute of Government at Mississippi State University, who has studied the impact of tobacco taxes. “It improves the quality of life, and if the funds are

allocated to Medicaid so that we can recoup a return on investment in the form of matching federal dollars, that is a superior use of taxpayer dollars.”⁴¹

Conclusion

Raising cigarette taxes in Florida and across the South would improve the health of residents, provide needed health insurance, and boost the economy.

A \$1 per pack increase in each of 13 Southern states – Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and West Virginia – would reduce smoking, save thousands of lives, and cut health care expenses. It would raise nearly \$3.3 billion in the first year alone for cash-starved state budgets, bolstering the regional economy. Florida would gain \$631 million.

The new revenue could help expand programs to prevent smoking, adding to the health benefits of the tax increase. If used for health insurance through state Medicaid programs, the money would ensure that hundreds of thousands of families get the health care they need and would secure as much as \$35 billion⁴² in matching federal funds for the South in the first two years alone.

In Florida, using the new tax revenue for Medicaid would secure nearly \$1.3 billion from the federal government in the first year, because of enhanced stimulus match rates, bringing the value of the tax to \$1.9 billion.

Overall, raising cigarette taxes is good for health, good for families, and good for the economy. States should act now while they can get an extra return on their investment by using the special aid offered by the federal government to ease the economic crisis.

Chart 1: Adult smokers

State	% who smoke	# who would quit after \$1 increase	# saved from premature death
Alabama	22.5	29,200	32,900
Arkansas	22.4	12,000	9,000
Florida	19.3	100,500	79,600
Georgia	19.3	49,500	39,400
Kentucky	28.3	36,000	25,000
Louisiana	22.6	26,600	22,600
Mississippi	24.0	19,500	15,400
North Carolina	22.9	59,500	44,400
South Carolina	21.9	29,000	23,400
Tennessee	24.3	40,500	29,100
Texas	19.4	103,100	89,500
Virginia	18.6	40,000	32,400
West Virginia	27.0	14,100	10,200
U.S. Average	19.7		
Total		559,500	452,900

Sources:

- Centers for Disease Control and Prevention, State Tobacco Activities Tracking and Evaluation -System, BRFSS 2007
- Campaign for Tobacco-Free Kids projections, 2009

Chart 2: Teen smokers

State	Current smokers		Number who quit or don't start after \$1 tax hike**
	Percent*	Number**	
Alabama	27%	61,500	10,100
Arkansas	21%	26,600	3,200
Florida	15%	118,900	19,400
Georgia	19%	89,100	14,400
Kentucky	26%	44,600	8,000
Louisiana	25%	56,900	9,200
Mississippi	19%	29,800	5,000
North Carolina	23%	82,500	13,900
South Carolina	18%	52,000	9,200
Tennessee	26%	74,400	11,800
Texas	21%	266,100	36,400
Virginia	16%	58,200	9,500
West Virginia	28%	22,800	3,700
U.S. Median	20%		
Total		983,400	153,800

Sources:

- * Centers for Disease Control and Prevention, Youth Risk Behavior Surveillance and Youth Tobacco Survey, 2007.
- ** Campaign for Tobacco-Free Kids calculations that include the expected impact of 2009 increases in the federal cigarette tax and state taxes in Kentucky and Arkansas

Chart 3: Annual smoking deaths

State	Deaths	Death Rate / 100,000
Alabama	7,585	318
Arkansas	4,915	324
Florida	28,609	259
Georgia	10,547	299
Kentucky	7,848	371
Louisiana	6,500	300
Mississippi	4,757	334
North Carolina	12,265	298
South Carolina	6,127	293
Tennessee	9,712	325
Texas	24,571	273
Virginia	9,242	267
West Virginia	3,821	344
U.S. Median		263
Total	136,499	

Source: MMWR Jan. 23, 2009, based on 2000-2004 data

Chart 4: Smoking-related health costs

State	Total annual cost	Paid by Medicaid
Alabama	\$1,499,000,000	\$238,000,000
Arkansas	\$812,000,000	\$242,000,000
Florida	\$6,320,000,000	\$1,250,000,000
Georgia	\$2,252,000,000	\$537,000,000
Kentucky	\$1,500,000,000	\$487,000,000
Louisiana	\$1,474,000,000	\$663,000,000
Mississippi	\$719,000,000	\$264,000,000
North Carolina	\$2,463,000,000	\$769,000,000
South Carolina	\$1,095,000,000	\$393,000,000
Tennessee	\$2,166,000,000	\$680,000,000
Texas	\$5,831,000,000	\$1,620,000,000
Virginia	\$2,087,000,000	\$401,000,000
West Virginia	\$690,000,000	\$229,000,000
Total	\$28,908,000,000	\$7,773,000,000

Source: Centers for Disease Control and Prevention, 2004 data

Chart 5: State spending on tobacco control and prevention

State	Tobacco prevention spending	CDC recommended spending	Prevention gap
Alabama	\$770,000	\$56,700,000	\$55,930,000
Arkansas	\$15,600,000	\$36,400,000	\$20,800,000
Florida	\$58,000,000	\$210,900,000	\$152,900,000
Georgia	\$2,200,000	\$116,500,000	\$114,300,000
Kentucky	\$2,400,000	\$57,200,000	\$54,800,000
Louisiana	\$7,700,000	\$53,500,000	\$45,800,000
Mississippi	\$8,000,000	\$39,200,000	\$31,200,000
North Carolina	\$17,100,000	\$106,800,000	\$89,700,000
South Carolina	\$2,000,000	\$62,200,000	\$60,200,000
Tennessee	\$10,000,000	\$71,700,000	\$61,700,000
Texas	\$11,800,000	\$266,300,000	\$254,500,000
Virginia	\$14,500,000	\$103,200,000	\$88,700,000
West Virginia	\$5,700,000	\$27,800,000	\$22,100,000
Total	\$155,770,000	\$1,208,400,000	\$1,052,630,000

Source: How Do You Measure Up? American Cancer Society Cancer Action Network, 2008 spending

Chart 6: Total uninsured by state, 2006-2007

State	Number	Percent
Alabama	618,913	13.6
Arkansas	485,849	17.5
Florida	3,738,230	20.7
Georgia	1,660,156	17.7
Kentucky	604,929	14.6
Louisiana	848,463	20.2
Mississippi	572,555	19.8
North Carolina	1,547,212	17.2
South Carolina	696,484	16.2
Tennessee	845,728	14.1
Texas	5,832,884	24.9
Virginia	1,070,636	14.2
West Virginia	249,384	13.8
Total South	18,771,423	19.2
US	45,657,193	15.3

Source: Kaiser State Health Facts: Health insurance coverage of the total population, states 2006-2007, USA 2007, Kaiser Family Foundation

Chart 7: State-imposed cigarette taxes (includes Washington, DC)

State	Tax per pack	Rank	Date of last tax increase
South Carolina	\$0.07	51	7/1/1977
Missouri	\$0.17	50	10/1/1993
Mississippi	\$0.18	49	6/1/1985
Virginia	\$0.30	48	7/1/2005
Florida	\$0.34	47	7/1/1990
North Carolina	\$0.35	46	7/1/2006
Louisiana	\$0.36	45	7/1/2002
Georgia	\$0.37	44	7/1/2003
Alabama	\$0.43	43	5/18/2004
North Dakota	\$0.44	42	7/1/1993
West Virginia	\$0.55	41	5/1/2003
Idaho	\$0.57	40	6/1/2003
Kentucky	\$0.60	38	4/1/2009
Wyoming	\$0.60	38	7/1/2003
Tennessee	\$0.62	37	7/1/2007
Nebraska	\$0.64	36	10/1/2002
Utah	\$0.70	35	5/6/2002
Kansas	\$0.79	34	1/1/2003
Nevada	\$0.80	33	7/22/2003
Colorado	\$0.84	32	1/1/2005
California	\$0.87	31	1/1/1999
New Mexico	\$0.91	30	7/1/2003
Illinois	\$0.98	29	7/1/2002
Indiana	\$1.00	28	7/1/2007
Oklahoma	\$1.03	27	1/1/2005
Arkansas	\$1.15	25	3/1/2009
Delaware	\$1.15	25	7/31/2007
Oregon	\$1.18	24	1/1/2004
Ohio	\$1.25	23	7/1/2005
New Hampshire	\$1.33	22	10/15/2008
Pennsylvania	\$1.35	21	1/7/2004
Iowa	\$1.36	20	3/15/2007
Texas	\$1.41	19	1/1/2007
Minnesota	\$1.50	18	8/1/2005
South Dakota	\$1.53	17	1/1/2007
Montana	\$1.70	16	1/1/2005
Wisconsin	\$1.77	15	1/1/2008
Vermont	\$1.99	14	7/1/2008
Alaska	\$2.00	6	7/1/2007
Arizona	\$2.00	6	12/8/2006
Connecticut	\$2.00	6	7/1/2007
Hawaii	\$2.00	6	9/30/2008
Maine	\$2.00	6	9/19/2005
Maryland	\$2.00	6	1/1/2008
Michigan	\$2.00	6	7/1/2004
Washington, DC	\$2.00	6	10/1/2008
Washington	\$2.03	5	7/1/2005
Rhode Island	\$2.46	4	7/1/2004
Massachusetts	\$2.51	3	7/1/2008
New Jersey	\$2.58	2	7/15/2006
New York	\$2.75	1	6/3/2008
Average state tax	\$1.21		

Source: Campaign for Tobacco-Free Kids, 2009

Chart 8: Five-year savings from fewer heart attacks and strokes Resulting from \$1 increase in state cigarette tax

State	Savings
Alabama	\$15,900,000
Arkansas	\$7,000,000
Florida	\$45,900,000
Georgia	\$24,100,000
Kentucky	\$25,800,000
Louisiana	\$14,400,000
Mississippi	\$11,200,000
North Carolina	\$34,000,000
South Carolina	\$15,700,000
Tennessee	\$24,400,000
Texas	\$47,600,000
Virginia	\$18,500,000
West Virginia	\$9,400,000
Total	\$293,900,000

Source: Campaign for Tobacco-Free Kids projections, 2009

Chart 9: Economic benefits of a \$1 increase in state cigarette taxes

State	Tax revenue alone	Revenue with US match for health care	Business Activity	Jobs	Wages
Alabama	\$190,000,000	\$593,379,138	\$822,700,000	7,988	\$300,200,000
Arkansas	\$95,000,000	\$349,393,159	\$491,150,000	4,874	\$180,500,000
Florida	\$631,000,000	\$1,414,798,206	\$1,829,900,000	16,785	\$681,480,000
Georgia	\$298,000,000	\$839,200,225	\$1,233,720,000	9,926	\$432,100,000
Kentucky	\$245,000,000	\$820,220,957	\$1,144,150,000	10,106	\$394,450,000
Louisiana	\$209,000,000	\$728,476,821	\$1,137,796,000	11,539	\$413,820,000
Mississippi	\$151,000,000	\$625,000,000	\$918,080,000	9,456	\$330,690,000
North Carolina	\$329,000,000	\$929,378,531	\$1,263,360,000	11,841	\$460,600,000
South Carolina	\$180,000,000	\$601,403,274	\$907,200,000	8,786	\$325,800,000
Tennessee	\$195,000,000	\$545,912,654	\$750,750,000	6,066	\$263,250,000
Texas	\$385,000,000	\$949,211,045	\$1,482,250,000	12,755	\$523,600,000
Virginia	\$281,000,000	\$562,000,000	\$615,390,000	5,075	\$210,750,000
West Virginia	\$98,000,000	\$373,049,105	\$497,840,000	4,623	\$174,440,000
Total	\$3,287,000,000	\$9,331,423,118	\$13,094,286,000	119,820	\$4,691,680,000

Sources:

- Campaign for Tobacco-Free Kids projections of tax revenue February 2009
- Community Catalyst calculations of revenue with FY 2009 federal Medicaid match, assuming all new tax revenue is used for Medicaid. Does not include temporary increase in federal match.
- Business activity, jobs, and wages calculated using Families USA Medicaid calculator.

Chart 10: People protected from Medicaid enrollment cuts
If new tax revenue used for health insurance

State	Number of People	Percent of Medicaid Population
Alabama	130,000	20%
Arkansas	115,000	23%
Florida	339,000	16%
Georgia	271,000	21%
Kentucky	209,000	30%
Louisiana	247,000	29%
Mississippi	156,000	30%
North Carolina	186,000	16%
South Carolina	149,000	24%
Tennessee	125,000	11%
Texas	330,000	12%
Virginia	124,000	19%
West Virginia	57,000	19%
Total	2,438,000	

Source: Community Catalyst's calculations for 2009 based on data from the Campaign for Tobacco-Free Kids, Kaiser Family Foundation, and Center on Budget and Policy Priorities. Assumes all revenue from cigarette tax increase is dedicated to Medicaid, and states are eligible for increased federal match.

¹ Total of state by state projections from Campaign for Tobacco-Free Kids. February 5, 2009. Benefits from a \$1.00 Cigarette Tax Increase.

² Federal Medical Assistance Percentages. FY 2009. <http://aspe.hhs.gov/health/fmap.htm>.

³ Stewart, Sherri L., Cheryll J. Cardinez, Lisa C. Richardson, Leslie Norman, Rachel Kaufmann, Terry F. Pechacek, Trevor D. Thompson, Hannah K. Weir, and Susan A. Sabatino. 2008. Surveillance for Cancers Associated with Tobacco Use --- United States, 1999—2004. *MMWR* 57 (September 5): 1-33; Kaiser State Health Facts. Kaiser Family Foundation. www.StateHealthFacts.org.

⁴ US Census Bureau. Current Population Survey, 2005 to 2008, Annual Social and Economic Supplements; Kaiser Family Foundation. Health Insurance Coverage of the Total Population, 2006-2007. Kaiser State Facts.

⁵ Lav, Iris J. and Elizabeth McNichol. March 13, 2009. State Budget Troubles Worsen. Center on Budget and Policy Priorities; Centers for Disease Control and Prevention. 2006. Sustaining State Programs for Tobacco Control: Data Highlights, 2006.

⁶ Total of state by state projections from Campaign for Tobacco-Free Kids. February 5, 2009. Benefits from a \$1.00 Cigarette Tax Increase.

⁷ Community Catalyst estimate based on data from the U.S. Census, Kaiser Family Foundation, www.statehealthfacts.org, and the Campaign for Tobacco-Free Kids.

⁸ Community Catalyst calculation based on Federal Medical Assistance Percentages, FY 2009, applied to revenue projections from Campaign for Tobacco-Free Kids. February 5, 2009. Benefits from a \$1.00 Cigarette Tax Increase. Assumes all new tax revenue used for Medicaid.

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